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THE COMMERCIAL DEMOCRACY OF THE SOUTH.

BY UNITED STATES SENATOR JOHN LOWNDES M'LAURIN.

It is the natural destiny of the Southern States of the Union to clothe and feed the world. They will become the great wealth-producing area of the country by virtue of their natural monopoly of cotton and cotton manufactures, iron and iron manufactures, their other undeveloped resources and the new grip they are taking on public and private life. To-day America either furnishes the iron or fixes the price of it for every bridge in the world. The Southern States are producing, in 1901, \$400,000,000 of exports, one-third of the total of the United States, and have \$150,000,000 invested in cotton manufactures alone. Twenty million dollars' worth of Southern goods were exported last year to China and the East. Massed there, in an area not much larger than the United States, one-half of all the people on the globe are to be found. The ports of the South are not many days from this market, and with an Isthmian Canal will be much nearer. The new development of trade in Southern cotton goods has been largely in Oriental countries, the climate and needs of whose peoples are thus best supplied. The most popular manufactured goods in China come to-day from the cotton mills of South Carolina, which have grown in number from 180 in the year 1880 to 600 in the year 1901.

It is reasonable to believe that within a few years the cotton exports of the Southern States to China alone will exceed \$25,000,000 annually, provided those markets are not closed against us.

Within the last ten years the centre of cotton manufacturing in the United States has been transferred from Fall River, Mass., to Columbia, S. C.—where the mills that manufacture the raw cotton are actually surrounded by the fields in which it is grown, and whence eight railroads transport the finished product. One

of its mills, the Olympia, is probably the largest and most perfectly equipped in the world.

Producing three-quarters of the world's cotton supply, netting more than \$400,000,000, and valued in the finished product at \$2,000,000,000, the South is now in a fair way to reap the profits of its manufactures, if politics be not permitted to bar the way.

Assuming that the first experimental cotton crop was grown in Virginia in the year 1600, it is to be borne in mind that between the years 1880 and 1890 alone the capital invested in cotton manufacturing in the South increased from \$21,000,000 to \$61,000,000.

In the year 1700, the American cotton crop was three thousand bales of five hundred pounds each, which realized twenty cents a pound, the highest price the raw product ever reached in this country being eighty cents, in 1865. In 1830 there were in the United States 801 cotton factories, with \$40,000,000 capital. In 1834 the first cotton mill was built in Natchez. In 1897 there were 21,273 looms at work. In 1900 the yield of the United States in bales was 9,436,400. In 1901 the number of bales manufactured in the United States was 2,000,000, the number of mills was 600, and 5,000,000 spindles were at work.

South Carolina alone has to-day, in round numbers, 140 cotton mills, operating 2,250,000 spindles.

How are the markets of the East to be secured for the natural monopolies of the Southern States? By reciprocity or commercial treaties, for which the Commercial—not the “new”—Democracy stands, holding fast to all that was best in the old Democracy but looking forward and upward to where Columbia's sun is already dazzling the world by the glories of triumphs in peace as well as in war; standing shoulder to shoulder with all good Americans, no matter what their politics or prejudices.

The Commercial Democracy must go to no graveyards for principles, and to no dead men for platforms.

Commercial treaties are not party measures; they are patriotic necessities. Partisan appeals cannot undo them, for their repeal requires a two-thirds vote of the Senate. They give permanence as well as security to our industrial and financial relations with the world. They accomplish, one at a time, the very results at which a new tariff law might aim; but the suggestion of a new tariff invariably unsettles the finances of the world. We

cannot afford to use the tariff to alienate other nations. This our lamented President—one of the best and wisest friends the South ever had—had already announced as his policy when stricken down in Buffalo. I believe his successor will wisely and consistently continue it.

Not ten years have elapsed since Birmingham shipped 250 tons of pig iron to Glasgow. In 1870 the whole South produced only 100,000 tons of pig iron. To-day the production of the South is 2,500,000 tons. Her iron exports in 1900 were worth \$129,000,000. In ten years her coal output has grown from 6,000,000 to 40,000,000 tons. A most significant incident was the sale by the Baldwin Locomotive Works of Philadelphia to the Russian Government of 150 locomotives for the Trans-Siberian Railroad. In spite of the fact that the Russian Government owns its railroads and maintains its own shops and puts a duty of four cents per pound on imports, the equipment of this gigantic railroad system of 8,000 miles came from the United States. It had to come from there!

In other industries than cotton and iron those great developments in the South for which the Commercial Democracy stands are growing apace. The Atlantic Coast Lumber Company of Georgetown, S. C., the largest in the South, is already one of the largest in the country; the prosperity of the lumber interests in the Southern States is due largely to the Dingley tariff against Canadian pine. In the few years since 1897 lumber manufactures have sprung up all over the South; factories for furniture, wagons, buggies, spokes and handles and brooms are utilizing the enormous area of virgin forests with which the South is richly endowed—which elsewhere have been burned and wasted.

The rice crop is another significant Southern industry which owes its present prosperity to the tariff. Under the Dingley bill a duty of 1-3 cent a pound was put on all rice that would not go through a number eight sieve. As a consequence the South now grows more rice than in 1861, although under the Wilson Tariff bill the production of rice in South Carolina was practically stopped in consequence of the competition from abroad. All the Southern representatives in Congress should, it seems to me, unite in a demand for a protective duty on rice of all sizes, in spite of the tremendous pressure now exerted by representatives of the brewers, in whose interests, largely, ground rice is now admitted free.

In the past twelve years large quantities of cotton have been imported into the United States from Egypt. The same business wisdom which protects corn and wheat, and lumber and rice from the competition of countries where underpaid labor produces these staples to be brought into American markets by water freights and sold at ruinous prices, would extend the protection of the tariff which is already doing so much for manufactures in the South to raw cotton as well. Whereas ten years ago there were no appreciable importations of cotton, last year there were 70,000,000 of pounds brought in. One bale of Egyptian cotton will displace two bales of American cotton, and the estimate is put at an even higher figure by the bulletins of the Agricultural Department, which declare that four bales of American cotton are practically kept out of the market by the admission of a single bale from Egypt. At McColl, S. C., a large mill has been built to use Egyptian cotton only; there are other such mills in that State.

The Allen and Peeler long staple upland cottons were formerly grown in South Carolina, but Egyptian cotton has practically driven them out. The areas grown in Egyptian cotton are to be so increased by the completion of the dams now under construction along the Nile that it is expected an addition of 1,000,000 bales per year will be made to the Egyptian crop.

A duty of three cents per pound should be placed upon all raw cotton imported into the United States. This would make sufficient difference in the price to enable us to produce a long staple cotton which would take the place of the Egyptian.

The carpet mills of the South are now making cotton into fine carpets. The largest woolen mill in America is in successful operation at Knoxville, Tenn. The agriculture of the South has a present prosperity and a future development of the most brilliant promise. When some years ago the *American Agriculturist* offered a prize of \$1,000 for the largest yield of corn from a single acre, Marlboro County, S. C., won the prize, with a crop of 255½ bushels of corn, two crops being gathered in one year. Wheat and tobacco are produced under circumstances equally favorable.

It is for the development of new markets under a National policy which will equally benefit the whole country that the Commercial Democracy appeals to the Nation. It is for the policy

which such Democratic leaders as Calhoun, Cheves, Hayne and Lowndes advocated years before that struggle between the States which retarded the development of the South so cruelly. It was in their time that South Carolina subsidized the old South Carolina Railroad upon which the first commercially operated steam locomotive hauled trains with "a nigger on the safety valve." It is for the same expansion for which the greatest leaders of the Democratic party have stood in times past that the Commercial Democracy stands to-day: the extension of our territory, our trade, our commerce, our political institutions, our civilization, and the blessings of our freedom. No matter what the name of the party, in national affairs, which advocates that expansion, the Commercial Democracy should, it seems to me, be proud to advocate those principles.

There is no such by-product in the world as cottonseed. In my childhood the seed was only valuable for manure, and in the rich river bottoms was often thrown away. Now one of the finest oils in the world is produced from cottonseed. It is used for almost every conceivable purpose. Large quantities are exported to Italy and France, where it is relabeled and sent back here as olive oil. It is used instead of both lard and butter. The meal is used as cattle food and for fertilizing, while the hulls, which a few years ago were burned, are used as cattle food and for making paper. New uses are being constantly discovered each day for cottonseed products.

One thing needed in developing the South is more economy in handling our products at home. This will come in time as competition forces us to curtail expenses. Every plantation now has its own machinery for ginning the cotton as it comes from the field. If there was in every community an oil and yarn mill with a ginnery attached, where cotton could be ginned so cheaply that the planter would find it to his advantage to sell the cotton in the seed, it would be a vast saving of time and money. The planter would get more for his cotton, the seed be carried by machinery to the oil mill and the lint to the yarn mill. Then, if there were within easy reach a mill to convert the yarn into cloth, we would have the ideal manufacturing plant. It might also be stated that a cattle-feeding business is no insignificant item of profit in connection with many of the oil mills. The men who are making the South to-day are those great captains

of industry who are converting our raw material into the finished product, and no mawkish sentimentality should be permitted to interfere with this grand work. What we need is less politics and more business. One thing is certain, the dollar has been taken out of politics. That is settled, like Expansion and Free Trade. Now let us take business out of politics. Let us all be Americans only and not Democrats or Republicans on measures which involve the welfare of the Nation, the better development of her resources, the extension of her industry, and the expansion of her commerce. While on a purely sectional question, like white supremacy, a man must stand by his own people, it is a crime for any party to test party fealty by those broad, non-political American measures which in their essence involve the welfare of the entire Nation. President McKinley recognized, as I heartily believe President Roosevelt will, that property and intelligence must control in the South as elsewhere, that business men must fill the offices and administer the affairs of the Government in the South as in the East, the North and the West.

The balance of trade is in our favor. The South desires to share in the opportunity which is before the Nation. The people of the old world cannot produce food enough for their consumption. The people of the United States are producing yearly a greater and greater surplus of those products which the rest of the world uses, and for which it is paying us hundreds of millions of gold. If properly handled, the balance of trade in our favor will grow heavier from year to year; if we sell for gold all that we sell, and buy for gold all that we buy, the financial centre of the civilized world will have permanently passed from London to New York as it passed from The Hague to London.

JOHN L. McLAURIN.